

OKLAHOMA ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS



Oklahoma is the proud home of the Central Oklahoma Clean Cities Coalition.

Overview

Oklahoma's main incentive for alternative fuel vehicles (AFVs) is a state income tax credit of 50% of the cost of converting vehicles to alternative fuels and 10% of the total vehicle cost, up to \$1,500, to individuals who buy an original equipment manufacturer (OEM) AFV. In addition, the State of Oklahoma has a loan fund for conversion of government vehicles to alternative fuels.

Highlights

\$ 50% state income tax credit for the cost of converting vehicles to alternative fuels and up to \$1,500 tax credit for 10% of the total vehicle cost for the purchase of an OEM AFV.

State Incentives

\$ The State of Oklahoma offers a state income tax credit, through the Alternative Fuels Act, of 50% of the cost of converting vehicles to alternative fuels, or installing refueling equipment for AFVs. The tax credit is available until January 2002. A tax credit of 10% of the total vehicle cost, up to \$1,500, is available to individuals who buy an OEM AFV. Private sector incentives are limited to natural gas and propane. For more information, contact Jeanie Robards at the Oklahoma Department of Central Services, at (405) 521-4687.

The Alternative Fuels Act has established by statute a revolving loan fund for the conversion of government fleets to alternative fuels. The program provides no-interest loan funding of converting vehicles to run on alternative fuels, and refueling facilities. The state-defined alternative fuels are compressed natural gas (CNG), liquefied natural gas (LNG), liquefied petroleum gas (LPG), ethanol, methanol, and electricity. The program provides up to \$5,000 per vehicle converted, and up to \$100,000 for fueling stations. Repayment is made from fuel savings during a maximum 7-year period. If the alternative fuel's price does not remain below the price of the conventional fuel that was replaced, repayment is suspended. Eligible applicants include state, county, municipalities, school districts, mass transit authorities, and public trust authorities. For more information, contact Jeanie Robards at the Oklahoma Department of Central Services, at (405) 521-4687.

Utility/Private Incentives

Arkansas Louisiana Gas (Arkla) has a special lower rate for CNG used to fuel vehicles. Arkla offers technical assistance and station design assistance for natural gas refueling stations. For more information, contact Arthur Connerly at (501) 377-4877 or Dwayne Brown at (501) 377-4742.

Oklahoma Natural Gas Company offers a discounted rate for natural gas when used to fuel vehicles. Oklahoma Natural Gas Company will own and maintain a compressor for natural gas vehicle (NGV) refueling at a customer's facility. For a period of up to one week, Oklahoma Natural Gas Company will provide an NGV on loan for a fleet customer to test NGVs. Contact John Holt at (918) 588-7520 for more information.

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Laws & Regulations

In addition to the loans and tax credits, the Alternative Fuels Act provides other incentives for the use of AFVs including:

- Instead of paying a motor fuel excise tax, CNG, LNG, and LPG are taxed through a flat yearly fee of \$100 per vehicle; \$150 for AFVs weighing more than one ton.
- Natural gas is exempt from sales tax when sold as a motor vehicle fuel.
- The state has deregulated the sale of CNG, LNG, and LPG when sold as vehicle fuels.

Oklahoma Statute Title 47, the Alternative Fuels Technician Certification Act, is designed to train, test, and certify technicians and mechanics in AFV and fuel technologies.

House Bill (HB) 1953 (1990) established the Committee of Alternative Fuels Technician Examiners, responsible for inspecting alternative fuel equipment, testing and certifying installers, and promoting performance standards. People involved in installing, servicing, repairing, or modifying engines to operate on alternative fuels must be state certified.

HB 1886 (1994) requires that school and government vehicles are encouraged to be run on an alternative transportation fuel whenever the price of the alternative fuel is equal to or less than the displaced conventional fuel.

Senate Bill 679 (1996) extended the 50% tax credit to January 1, 2002 for conversion of vehicles of up to \$1,500 per vehicle.

The Oklahoma State Vo-Tech System offers CNG and LPG installation training programs.

Points of Contact

Central Oklahoma Clean Cities Coordinator

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Oklahoma State Transportation Contact

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Oklahoma State Energy Office

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U.S. Department of Energy

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U.S. Department of Transportation Contacts

Federal Highway Administration

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Federal Transit Administration

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General Services Administration

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U.S. Environmental Protection Agency

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